

Base Contract for Sale and Purchase of Natural Gas

This Base Contract is entered into as of the following date: November 11, 2002. The parties to this Base Contract are the following:

State of California Department of Water Resources
separate and apart from its powers and responsibilities
with respect to the State Water Resources
Development System

Duns Number: _____
Contract Number: _____
U.S. Federal Tax ID Number: _____

Notices:

California Department of Water Resources/CERS
3310 El Camino Avenue, Suite 120, Sacramento CA 95821
Attn: Executive Manager Power Systems
Phone: (916) 574-0339 Fax: (916) 574-2512

Confirmations:

Attn: _____
Phone: _____ Fax: _____

Invoices and Payments:

DWR/CERS Settlements Unit

Attn: Doreen Singh
Phone: (916) 574-0309 Fax: (916) 574-1239

Wire Transfer or ACH Numbers (if applicable):

BANK: Bank of America (Sacramento main branch)
ABA: Routing #
ACCT: #
Other Details: for Dept. of Water Resources

and **Williams Energy Marketing & Trading Company**

Duns Number: _____
Contract Number: _____
U.S. Federal Tax ID Number: _____

Williams Energy Marketing & Trading Company
P.O. Box 2848, MD WRC 2-6, Tulsa, OK 74101-2848
Attn: Contract Management
Phone: (918) 573-4188 Fax: (918) 732-0269

* and *

Williams Energy Marketing & Trading Company
P.O. Box 2848, MD 41-3, Tulsa, OK 74101-2848
Attn: Assistant General Counsel
Phone: (918) 573-2459 Fax: (918) 573-6928

Williams Energy Marketing & Trading Company
Attn: Natural Gas Confirmations Analyst
Phone: (918) 573-1409 Fax: (918) 732-0247

Williams Energy Marketing & Trading Company
Attn: EMT Gas & Power Operations Accounting
Phone: (918) 573-6242 Fax: (918) 573-1965

BANK: Bank One, NA, Chicago, Illinois
ABA: _____
ACCT: as invoiced
Other Details: _____

This Base Contract incorporates by reference for all purposes the General Terms and Conditions for Sale and Purchase of Natural Gas published by the North American Energy Standards Board. The parties hereby agree to the following provisions offered in said General Terms and Conditions. In the event the parties fail to check a box, the specified default provision shall apply. Select only one box from each section:

Section 1.2 Transaction Procedure	<input type="checkbox"/> Oral (default) <input checked="" type="checkbox"/> Written	Section 7.2 Payment Date	<input checked="" type="checkbox"/> 25 th Day of Month following Month of delivery. <input type="checkbox"/> Day of Month following Month of delivery
Section 2.5 Confirm Deadline	<input checked="" type="checkbox"/> 2 Business Days after receipt (default) <input type="checkbox"/> 5 Business Days after receipt	Section 7.2 Method of Payment	<input checked="" type="checkbox"/> Wire transfer (default) <input type="checkbox"/> Automated Clearinghouse Credit (ACH) <input type="checkbox"/> Check
Section 2.6 Confirming Party	<input type="checkbox"/> Seller (default) <input type="checkbox"/> Buyer <input checked="" type="checkbox"/> Both	Section 7.7 Netting	<input checked="" type="checkbox"/> Netting applies (default) <input type="checkbox"/> Netting does not apply
Section 3.2 Performance Obligation	<input checked="" type="checkbox"/> Cover Standard (default) <input type="checkbox"/> Spot Price Standard	Section 10.3.1 Early Termination Damages	<input checked="" type="checkbox"/> Early Termination Damages Apply (default) <input type="checkbox"/> Early Termination Damages Do Not Apply
Note: The following Spot Price Publication applies to both of the immediately preceding.			
Section 2.26 Spot Price Publication	<input checked="" type="checkbox"/> Gas Daily Midpoint (default) <input type="checkbox"/> _____	Section 10.3.2 Other Agreement Setoffs	<input type="checkbox"/> Other Agreement Setoffs Apply (default) <input checked="" type="checkbox"/> Other Agreement Setoffs Do Not Apply
		Section 14.5 Choice Of Law	California
Section 6 Taxes	<input checked="" type="checkbox"/> Buyer Pays At and After Delivery Point (default) <input type="checkbox"/> Seller Pays Before and At Delivery Point	Section 14.10 Confidentiality	<input type="checkbox"/> Confidentiality applies (default) <input checked="" type="checkbox"/> Confidentiality does not apply
<input checked="" type="checkbox"/> Special Provisions Number of sheets attached: 7			